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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/863,010	05/23/2001	Clay T. Whitehead	3813-3 (AMK)	7263
23117 7590 11/05/2007 NIXON & VANDERHYE, PC 901 NORTH GLEBE ROAD, 11TH FLOOR ARLINGTON, VA 22203			EXAMINER GARG, YOGESH C	
			ART UNIT 3625	PAPER NUMBER
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/863,010	Applicant(s) WHITEHEAD, CLAY T.	
	Examiner Yogesh C. Garg	Art Unit 3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 October 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-5, 7-9, 12, 14-16 and 18-22 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-5, 7-9, 12, 14-16, 18-22 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

1. Applicant's amendment filed on 10/9/2007 is entered. Claims 1, 21 and 22 are amended. Claims 6, 10, 11, 13 and 17 were previously withdrawn. Currently claims 1-5, 7-9, 12, 14-16 and 18-22 are pending for examination.

Response to Arguments

2. Applicant's arguments with respect to currently amended claims 1-5, 7-9, 12, 14-16 and 18-22 have been considered but are not persuasive for following reasons:

The applicant argues that Herz system is directed only to vendor's benefits and his invention, in contrast, serves to benefit the consumers without regard to vendor profits (see pages 7, 8, 9). The examiner disagrees. In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., the claimed invention is not focused on vendor's perspective and their benefits but it serves to benefit only the consumers without regard to vendor profits) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). None of the claims specifically recites that the method or system is not focused on vendor's perspective and their benefits but it serves only to benefit the

consumers without regard to vendor profits. The current amendment adds the limitation, " the relevant items being those that most benefit the user" and this limitation does not support the applicant's argument because it does not add enhancement to a manipulative step or structural component implementing the specific function of not benefiting the vendor but only benefiting the consumer.

The added limitation qualifies "the items" and not the manipulative steps of compiling the profile or identifying relevant items. Herz disclosure reads on this limitation because it explicitly teaches selecting items according to user profile which are appropriate, that is the items that would benefit the user most as per the compiled profile, say from cost point of view (see at least paragraph 0024, "

The primary functions of the system for the automatic determination of customized prices and promotions 100 are (1) to identify offers that are appropriate for each shopper, (2) to help the shopper become informed about these available offers,...". It is understood that only the items are included in the profile which benefits the shoppers most based upon shopper's purchase history). ***In order to satisfy the applicant's argument the***

claim limitations should recite that only the user and not the seller compiles the user profile and that is not the case (also see, pages 13-14 of the Board's decision for the same application mailed on 3/27/2007).

The applicant argues (see pages 7, 8, 9 and 10) that Herz does not teach compiling a user's profile according to user-entered parameters. The examiner disagrees. As observed earlier by the Board (see, page 13, lines 7-17 of the Board's decision for the same application mailed on 3/27/2007) Herz teaches (see paragraphs 0021-0024) that shoppers use computers to make purchases

and the step of tracking these shoppers' purchases to compile a profile reads on the limitation, that is compiling a user's profile according to user-entered parameters.

The applicant argues (page 8) that Dunaway publication does not correct the deficiencies. This argument is no more persuasive in view of the analysis given above because the limitations which the applicant considers them as deficiencies in Herz are either not recited in the claims or are disclosed by Herz, as analyzed above.

The applicant argues (page 8) that Herz teaches away from any modification that would result with the features of his recited invention. The examiner disagrees because incorporating the teachings of Dunaway publication, that is the steps of (c) providing the user with an option to incorporate in the user profile an automatic best choice service, (d) if the user profile incorporates the automatic best choice service, automatically accepting the relevant items without user intervention, and communicating the accepted relevant items to the user, and (e) if the user profile does not incorporate the automatic best choice service, communicating the relevant items to the user, and enabling the user to selectively accept the relevant items (see Dunaway publication at least paragraph 0012, "...For the few clients that prefer not to interact with the website, **a manager can set their profile for automatic menu selection.**" and paragraph 0058, "**The Client Website Area 700 is also designed to accommodate clients that want to quickly select menus for weeks in advance and clients who enjoy browsing and exploring the menu selections. For the few clients that prefer not to interact with the Client Website Area 700, a manager can set their profile for automatic menu selection.**"). Note: Dunaway Jr. explicitly teaches providing an

option to user to include automatic menu selection based upon the user's profile for the culinary services for a particular user who is not interested in interacting with the web site and selecting menus on their own and conveying those automatically selected menus to the users . The automatic menu selection service provides the optimum/best available menu selection keeping in mind such profile restrictions that is low sodium requirement and the user is diabetic [see Fig.8B]. The users who do not opt for this automatic selection option are provided list of menu selections enabling them to selectively pick/accept the relevant menu items/selections) would be obvious to one of an ordinary skilled in the art because combination of these features would enable the method and system of Herz to satisfy both types of consumers (a) who want a quick response without having to interact with the server website for item selection and (b) who want to interact, browse and select items themselves, as suggested in Dunaway publication.

Regarding claims 5 and 16 (see pages 8 and 9) the applicant argues that Herz does not teach the limitation that items are identified based on a lowest cost consistent with a user profile. The examiner disagrees because Herz does teach this limitation(see at least paragraph 0036, “ *Determine Shopper's Goals--Optionally, the shopper may indicate a particular type of offer in which he or she is interested--for example, large-sized, **mail-order dress shirts costing under \$30.** ...* ”, and paragraph 0005, “ *As explained in the U.S. Pat. No. 5,758,257, shoppers can be profiled in terms of both their demographic characteristicsand their past shopping behavior (products purchased, length of time since last purchase, allocation of browsing time, attention span, **price sensitivity,*** ”).

In view of the foregoing the rejection of all claims 1-5, 7-9, 12, 14-16 and 18-22 under 35 USC 103 (a) is sustainable.

3. Examiner cites particular columns and line numbers in the references as applied to the claims below for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other relevant and related passages and figures may apply as well. It is respectfully requested that, in preparing responses, the applicant fully consider the other relevant and related passages and figures in the cited references as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-5, 7-9, 12, 14-16 and 18-22 rejected under 35 U.S.C. 103(a) as being unpatentable over Herz and further in view of Dunaway Jr. (US PG-Publication 20020026363 A1).

Regarding claim 1, Herz in view of Dunaway Jr. teaches a method for administering consumer items over a global network, the method comprising:

(a) compiling a user profile relating to desired consumer items (see at least Herz paragraph 002, "..... *The system automatically constructs and updates profiles*

of a plurality of shoppers based on their demographics and their history of shopping behavior, which history includes both their purchases and their requests for, or reactions to, product information..... “,

(b) accessing a database of items available from product and service providers and identifying relevant items according to user profile, the relevant items being those that most benefit the user (see at least paragraph 0024, “ *The primary functions of the system for the automatic determination of customized prices and promotions 100 are (1) to identify offers that are appropriate for each shopper, (2) to help the shopper become informed about these available offers, and (3) to facilitate any or all of the necessary transactions, such as electronic ordering or payment, if the shopper decides to accept an offer. The present system for the automatic determination of customized prices and promotions 100 concerns functions (1) and (2). In order to carry these functions out, **the main computer 101 has access to databases of information about possible offers (offer database 122),** “ . Note: The offer database 122 corresponds to the claimed database in the applicant's claim).). Herz also suggests that the relevant items identified are the one that most benefit the user (see at least paragraph 0024, “ *The primary functions of the system for the automatic determination of customized prices and promotions 100 are (1) to identify offers that are appropriate for each shopper, (2) to help the shopper become informed about these available offers,...*” Herz disclosure teaches selecting items according to user profile which are appropriate, that is the items that would benefit the user most as per the compiled profile, say from cost point of view.)*

Herz teaches automatically informing the best offers based upon a shopper's profile and the offers stored in the offer database (see at paragraphs

004, *The system automatically constructs product offers tailored to individual shoppers, or types of shoppers, ... These offers are typically represented to the shoppers in digital form. They are communicated or to an on-line computer shopping system that directly makes such offers to shoppers. The shoppers can be in the market for any type of product or service, including but not limited to: retail products, financial services, professional services, and the like.* " and 0024, " *The primary functions of the system for the automatic determination of customized prices and promotions 100 are (1) to identify offers that are appropriate for each shopper, (2) to help the shopper become informed about these available offers, and (3) to facilitate any or all of the necessary transactions, such as electronic ordering or payment, if the shopper decides to accept an offer. In order to carry these functions out, the main computer 101 has access to databases of information about possible offers (offer database 122), ". See also paragraphs 0005, 0010 and 0246. Paragraph 0246 discloses that even if the offers database does not include the automatic best choice requirement for the user the system communicates a single best possible offer for Crest tooth paste for the user's selection and Crest tooth paste is not part of the user's preferred choices.). Herz does not explicitly teach the steps (c) providing the user with an option to incorporate in the user profile an automatic best choice service, (d) if the user profile incorporates the automatic best choice service, automatically accepting the relevant items without user intervention, and communicating the accepted relevant items to the user, and (e) if the user profile does not incorporate the automatic best choice service, communicating the relevant items to the user, and enabling the user to selectively accept the relevant items. Dunaway Jr. in the field of online data processing implemented system and method for providing remote culinary*

preparation Services teaches the above missing steps (see at least paragraphs 0012,"...*For the few clients that prefer not to interact with the website, a manager can set their profile for automatic menu selection.* " and paragraph 0058, " *The Client Website Area 700 is also designed to accommodate clients that want to quickly select menus for weeks in advance and clients who enjoy browsing and exploring the menu selections. For the few clients that prefer not to interact with the Client Website Area 700, a manager can set their profile for automatic menu selection.* ". Note: Dunaway Jr. explicitly teaches providing an option to user to include automatic menu selection based upon the user's profile for the culinary services for a particular user who is not interested in interacting with the web site and selecting menus on their own and conveying those automatically selected menus to the users . The automatic menu selection service provides the optimum/best available menu selection keeping in mind such profile restrictions that is low sodium requirement and the user is diabetic [see Fig.8B]. The users who do not opt for this automatic selection option are provided list of menu selections enabling them to selectively pick/accept the relevant menu items/selections. In view of Dunaway Jr. it would be obvious to one of an ordinary skilled in the art to modify Herz to incorporate the steps (c) providing the user with an option to incorporate in the user profile an automatic best choice service, (d) if the user profile incorporates the automatic best choice service, automatically accepting the relevant items without user intervention, and communicating the accepted relevant items to the user, and (e) if the user profile does not incorporate the automatic best choice service, communicating the relevant items to the user, and enabling the user to selectively accept the

relevant items because it satisfies both types of consumers (a) who want a quick response without having to interact with the server website for item selection and (b) who want to interact, browse and select items themselves.

Regarding claims 2-3, Herz discloses that the step (a) in claim is practiced by monitoring a pattern of consumer's item use or user-entered parameters (see at least paragraph 005, "*Largely by tracking the behavior of shoppers, the system accumulates extensive profiles of the shoppers and the offers that they consider. The tracking can comprise a number of sources of data to thereby utilize multiple attribute clustering to provide a more powerful analysis capability. As explained in the U.S. Pat. No. 5,758,257, shoppers can be profiled in terms of both their demographic characteristics (age, income, family structure, ethnicity, and the like) and their past shopping behavior (products purchased, length of time since last purchase, allocation of browsing time, attention span, price sensitivity, interest in detailed features, impulse buys, use of coupons, and the like). Offers can be profiled as well. the shoppers who tend to buy the product, other products frequently bought on the same shopping trip, the sales pitch, the price and terms of payment, any discounts provided, and the relative attributes of competing offers.*" Also see paragraphs 0021-0024. Note: Tracking shopper's purchasing behaviors and the products purchased by them using computers, etc. reads on the limitations of claims 2-3.)

Regarding claim 4, Herz discloses periodically repeating steps (b)-(e) (see at least paragraphs 0300-0301, "*.....By decomposing purchase patterns for various product groups across different frequency ranges, we can learn more about seasonal buying behavior. It may turn out that a certain group of shoppers receives their paychecks exactly once a month. This group would clearly be a target for impulse purchases or slightly more expensive items, as they have more cash to spend at that time.....Time series methods are also useful for*

detecting trends; one could do a linear regression on sales for a certain product over time, determining the overall direction of a product's sales. This information could be used to adjust offer-generating strategies, as it would indicate a waxing or waning of a customers overall interest in a given product. ". Note: Contemplating to target shoppers every month when they get their paychecks corresponds to periodically repeating steps (b)-(e) of claim 1.

Regarding claim 5, Herz teaches that the relevant items are identified based on a lowest cost consistent with the user profile (see at least paragraph 0036, " *Determine Shopper's Goals--Optionally, the shopper may indicate a particular type of offer in which he or she is interested--for example, large-sized, mail-order dress shirts **costing under \$30.** ...* ", and paragraph 0005, " *As explained in the U.S. Pat. No. 5,758,257, shoppers can be profiled in terms of both their demographic characteristicsand their past shopping behavior (products purchased, length of time since last purchase, allocation of browsing time, attention span, **price sensitivity,*** ").

Regarding claim 7, Herz discloses communicating with users via e-mail (see at least paragraphs 0051, " *Any of the transactions between the main computer and a shopper or shopper's terminal might instead be handled through other means of communication, such as conventional mail, **electronic mail,** telephone, and conventional payment systems.* ").

Regarding claims 8 and 9, Herz teaches that the consumer items comprise subscription services (see at least paragraph 0136, " *list of on-line*

newspapers and magazines subscribed to by shopper (associative) ") and practicing on a one-time basis to effect a purchase of a particular product (see at least paragraph 0005, " The system can then select, present, price, and promote goods and services in ways that are tailored to an individual consumer. detailed product information screens can be subtly rearranged, lengthened, or shortened from one type of shopper to the next. Furthermore, when a product can be tailored to a particular shopper, a general technique or expert system can offer each consumer an appropriately customized product. ").

Regarding claim 12, the step of identifying related items available at a low incremental cost separately and communicating identified related items to the user is already analyzed in claims 1 and 5 above. As regards identifying and relating combinations, see paragraphs 0247-0250, "*Joint Promotions The same profiling approach described above can be used to select joint promotions. The basic method is to observe what items are bought by similar customers. For example, purchasers of beer at convenience stores are observed to also tend to purchase chips, pretzels and (less obviously) baby diapers. Such correlations can be noted from users' on-line purchase histories and used to generate joint promotions ("buy a new set of skis and get a free lift ticket at a ski resort") known as data mining. Similarity may be used as a criteria for integrating two or more products into a single promotional offer.Also, she really likes getting discounts, and she likes buying in large sizes. Then the system should try to find two large-size products that can be discounted and pitched as healthy, and bundle them together. For example, it might tell her that if she buys a family-size tube of plaque-fighting Crest at 10% off AND a set of three at 10% off, then she'll get an extra dollar off. " . Note: Joint promotions are directed to combination of related items).*

Regarding claims 14-16, 18-22, their limitations are closely parallel to the limitations of claims 1-5, and 7-9 and are therefore, analyzed and rejected on the same basis.

Conclusion

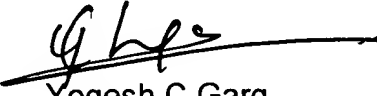
5. THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yogesh C. Garg whose telephone number is 571-272-6756. The examiner can normally be reached on Increased Flex.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey A. Smith can be reached on 571-272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.


Yogesh C Garg
Primary Examiner
Art Unit 3625

YCG
10/30/2007